



## **Frequently Asked Questions: Earned Income Tax Credit**

### ***Q: What is the Earned Income Tax Credit (EITC)?***

The EITC is a refundable tax credit available to workers who earn relatively low wages and may not have income tax liability. Refundable tax credits provide qualifying taxpayers with a cash refund.

### ***Q: Who qualifies?***

During the first several months of 2016, according to the IRS, 26 million households received the EITC with the average household receiving a refund of \$2,482. Eligibility is determined by income, marital status, and number of dependents. In 2017, you are eligible if\*:

- You are single, have no children, and earn below \$15,010 annually.
- You are single, make less than \$39,617, and have one child.
- You are single, make less than \$45,007, and have two children.
- You are single, make less than \$48,340, and have three or more children.
- You are married, without children, and you and your spouse earn less than \$20,600.
- You are married, you and your spouse earn less than \$45,207, and have one child.
- You are married, you and your spouse earn less than \$50,597, and have two children.
- You are married, you and your spouse earn less than \$53,930, and have three or more children.

\*Please note that credit qualifications reflect annual earnings for 2016

### ***Q: Do I need to work to receive it?***

You need to have earned income, which includes taxable income you earned as an employee, profits from your business or farm, long-term disability pay, or union strike benefits.

### ***Q: How much will I receive?***

The average credit for 2016 was \$2,482, but eligible workers with three or more children can receive up to \$6,318.

### ***Q: How is it received?***

The EITC is paid in a lump sum refund after taxpayers file their annual tax returns.

### ***Q: Would this interfere with my need-tested benefit programs?***

No. The EITC cannot be counted as income so it cannot interfere with eligibility for Supplemental Nutrition Assistance Program (SNAP), food assistance, low-income housing, Medicaid, Supplemental Security Income (SSI), or Temporary Assistance for Needy Families (TANF).

### ***Q: What if I am married but filing separately?***

If you are married, you must file jointly to receive the EITC.